

National Family Caregiver Support Program Resources

Financial Tips for Women Caregivers



Introduction

Women play a significant role in our society as caregivers for family members. Of the estimated 44 million Americans who are informal caregivers, 61 percent are women—many of them are simultaneously caring for an older relative and raising children or grandchildren. The stress of handling dual caregiving roles can be overwhelming. These responsibilities can develop physical and emotional strain on the caregiver and her family. The impact is often compounded by an added financial burden.

The following statistics emphasize the health and economic strain of caregiving responsibilities on women:

- While an average caregiver provides assistance for 20 hours per week, close to one in five female caregivers (17 percent) provides at least 40 hours of care per week (called "constant" care).
- Some 29 percent of "constant" caregivers report physical or mental health problems.
- To accommodate caregiving, more than half of employed women caregivers have made changes at work, such as going in late or leaving early, or working fewer hours.
- One-third of all caregivers ever employed while involved in caregiving gave up work either temporarily or permanently, or took a leave of absence.

Basic Caregiver Survival Tips

- Plan ahead
- Take one day at a time
- Accept help
- Get enough rest and eat properly
- Be good to yourself
- Learn about available resources
- Develop contingency plans
- Make your health a priority

- Make time for leisure
- Share your feelings with others

Financial Steps for Caregivers

The information provided is designed to help identify financial decisions women may face as caregivers. These decisions can affect both short and long-term financial security, including individual retirement.

Step 1 Create a Household Budget

As a caregiver you may find yourself paying expenses, both small and large, without adding it all up in advance or considering the long-term consequences. Small expenses add up quickly and could prevent you from saving enough for your own retirement.

Follow these steps to help you and your family create a budget. If there is a shortfall, think about ways to reduce spending.

- Get assistance with medical costs.
- Stretch the income of the person receiving care with an annuity.
- Tap into the receiver's home equity for additional income.
- Ask other family members to contribute to the monthly budget of the person receiving care.
- Ask family members to pay you for your caregiving time, as an independent contractor.
- Take that pay and invest it in an IRA or create a simplified employee pension plan for yourself.

Step 2 Plan Carefully Before Leaving a Job or Working Part-Time

You know the upsides of providing family caregiving, but it is also important to understand and plan for the financial implications of retirement.

Think carefully about leaving a job or reducing your hours. Take the time to check into what will happen to your benefits as a result.

- Try to stay at your job until you are vested in your company's pension plan.
- Work enough hours to maintain some benefits.
- If you leave your job, resist the urge to spend your 401(k) money.
- Budget for a regular contribution to an individual IRA to make up for lost pension contributions at work.
- Prior to leaving a job or reducing your hours, try to pay off all credit card and loan debts.
- Be sure to explore your other options before leaving a job or reducing your hours.

Step 3: Make a Plan to Save Enough for a Secure Retirement and Stick to It

If you are caregiving and working, be sure to participate fully in any workplace retirement plan. If you think you may leave your job or reduce your hours in the future, maximize your retirement savings in preparation for this time. Look into purchasing longterm care insurance for yourself so that when you are retired you can access a wide range of supportive services and living arrangements.

- Take the time to sit down and see where you stand right now on retirement savings.
- Make a list of all of your sources of retirement income--include Social Security and any pensions from private or government employment, and IRA and 401(k) retirement savings, and estimate what the monthly benefit will be.
- Contact the plan administrator of any pension plan you have participated in to determine if you are eligible for a benefit

and how much it will be.

- Calculate the value of your savings, investments and any property you may own.
- Calculate the amount of income you will need in retirement.
- Calculate the gap between your estimated retirement income and your retirement income goal. The gap is the amount you will need to save between now and retirement in order to meet your overall goals.

Careful financial planning early on can set the stage for a secure retirement.

Finding Help

- AoA's National Family Caregiver Support Program Resource Room :
<http://aoa.gov/prof/aoaprogram/caregiver/caregiver.asp>
- AoA's National Eldercare Locator:
www.eldercare.gov
- Women's Institute for a Secure Retirement (WISER) <http://www.wiserwomen.org/>
- Family Caregiver Alliance:
www.caregiver.org
- National Alliance for Caregiving:
www.caregiving.org
- National Family Caregivers Assn:
www.nfcares.org
- Social Security Administration
www.ssa.gov

Sources: Women's Institute Secure for a Retirement (WISER), Administration on Aging, Social Security Administration, National Alliance for Caregiving, Family Caregiver Alliance, National Family Caregivers Assn.

FOR MORE

AoA recognizes the importance of making information readily available to consumers, professionals, researchers, and students. Our website provides information for and about older persons, their families, and professionals involved in aging programs and services. For more information about AoA, please contact: US Dept of Health and Human Services, Administration on Aging, Washington, DC 20201; phone: (202) 619-0724; fax (202) 357-3523; Email: aoainfo@aoa.gov; or contact our website at: www.aoa.gov